

WHEREAS, The reduction of excess capacity is essential to the long-term financial viability of our hospital industry; and

WHEREAS, It is the policy of the State to promote voluntary efforts to reduce excess capacity by encouraging and assisting hospitals to close, merge, consolidate, or convert to other appropriate uses; and

WHEREAS, It is the intent of this Act that certain factors will be included in the consideration and determination of a required closure of all or part of a hospital, including location in urban, suburban, or rural areas, payor mix, bad debt, socio-economic status of the patient population, migration patterns, the severity of illnesses traditionally treated at the hospital; and in certain circumstances consideration may be given to the historic role of the hospital to the community that it serves; and

WHEREAS, If voluntary efforts to reduce excess capacity prove insufficient, the State, as a last resort, must have the authority to require closure of all or part of underutilized hospital facilities or services; and

WHEREAS, It is the policy of the State to minimize financial disruption caused by the closure of a hospital by creating a program to protect the bonded indebtedness of a closing hospital; and

WHEREAS, It is the policy of the State to minimize the disruption to the community caused by the closure of a hospital by assisting in efforts to place or retrain dislocated hospital employees and assisting in efforts to identify new productive alternative uses for hospital buildings and sites; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 19-118(e), (f), (g), (h), and (i), respectively, of Article - Health - General of the Annotated Code of Maryland be renumbered to be Section(s) 19-118(f), (g), (h), (i), and (j), respectively.

~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND~~ 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Health - General

19-114.

(a) (1) At least every 5 years, beginning no later than October 1, 1983, the Commission shall adopt a State health plan that includes local health plans.